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SEC Prohibits Rewald From Work as Adviser In Investment Industry

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The Securities and Exchange Commission has barred a Hawaii financial adviser, who claims he was an agent for the Central Intelligence Agency, from ever working for an investment company, brokerage firm or investment adviser.

The SEC action against Ronald R. Rewald, former chairman of Bishop, Baldwin, Rewald, Dillingham & Wong Inc., a defunct Honolulu investment company, was taken after he failed to respond to numerous administrative charges of fraud and other securities-law violations.

The agency also said it has revoked Bishop Baldwin's registration as an investment adviser.

Mr. Rewald was reported to be traveling and couldn't be reached for comment.

In a civil complaint in 1983, the SEC accused Mr. Rewald and Bishop Baldwin of selling more than \$17 million in unregistered securities in the form of investments in an investment savings account.

A federal judge in Honolulu last April en-

joined Mr. Rewald and the company from violating the anti-fraud provisions of the Securities Exchange Act. Without admitting or denying any wrongdoing, they consented to the permanent injunction.

Mr. Rewald has claimed he was a "nearly full-time" spy for the CIA. He also has said that Bishop Baldwin was a front for covert CIA operations, and that everything he did at Bishop Baldwin was on CIA orders. The CIA has acknowledged ties to Mr. Rewald, but has denied that it controlled the investment company.

On Aug. 30, a federal grand jury in Honolulu indicted Mr. Rewald, 41 years old, on charges of securities fraud, tax evasion, perjury and mail fraud. The indictment said that he diverted \$5.5 million from investors for his personal use.